

**SBA News and Views** is a monthly publication of the SBA Wisconsin District Office. Its purpose is to provide Wisconsin lenders and small business leaders with up-to-date information on SBA programs and small business issues. It is distributed at no cost, and the reprinting of articles is encouraged

## *Serving America's Small Businesses*

### U.S. Small Business Administration Wisconsin District Office

Eric Ness, District Director  
April 2007

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**SBA Home Page**  
<http://www.sba.gov>

**Wisconsin SBA Home Page**  
<http://www.sba.gov/wi>

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### **Wisconsin Based Associated Bank Wins National SBA 2007 Excellence in Lending Award**

**Associated Bank, N.A.** has been announced as one of just four financial institutions from across the United States to win the SBA's 2007 Excellence in Lending Award.

SBA Excellence in Lending Awards recognizes two 7(a) Lenders and two 504 Lenders. The awards for each category are based on lender size, portfolio performance and growth in approval volume in the previous fiscal year. Award winners have demonstrated a steadfast commitment to supporting the growth and expansion of small businesses across the country, even beyond the scope of SBA loans.

Associated Banks' award reflects its success in the 7(a) loan category for an SBA loan portfolio of more than \$100 million. The other 7(a) winner had a portfolio of less than \$100 million.

Associated Bank, based in Green Bay, has a vast working knowledge of SBA programs and a genuine interest in the success of small businesses. Associated holds both SBA Preferred and Express Lender designations that allow the bank to underwrite SBA loans quickly and efficiently.

Associated has been the top SBA 7(a) lender in Wisconsin for the past two years. Over those two years, the bank has made SBA-backed loans amounting to \$92.5 million to 623 small businesses. The bank shares its

expertise with other lenders and aims to serve women and minority entrepreneurs. Associated also sponsors a radio program hosted by SCORE.

"I am extremely proud to have Associated Bank, a Wisconsin-based bank, named as the Small Business Administration's National 2007 Excellence in Lending Award winner," said Eric Ness, Wisconsin SBA District Director. "Associated Bank's deep commitment to the small business community is evident in the ever increasing number of small businesses they have helped to start, grow and become successful utilizing SBA loan programs."

"Associated is excited to receive this prestigious national honor from the SBA," said Paul Beideman, Chairman and CEO of Associated Banc-Corp, parent company of Associated Bank. "Being selected is a reflection of our bankers' commitment to working with businesses and providing the resources, tools and financial solutions they need."

"SBA-backed loans are a valuable option for many start-ups and growing businesses. We are pleased to include them in our comprehensive list of business banking services," Beideman said.

Representatives from Associated Bank, received their award and were honored April 23rd in Washington, D.C. at an evening reception at the U.S. Department of State (Diplomatic Reception Room) as part of the 2-day annual **National Small Business Week Celebration**.

## Madison Journalist Wins SBA National Award

**Jody Glynn Patrick**, Vice President and Publisher of *In Business Magazine* and creator and co-host of *On Air with In Business Magazine* radio program has won SBA's 2007 National Small Business Journalist of the Year award.

Ten years ago, when Jody assumed the leadership position of *In Business* (IB), she started setting stringent standards. Holding the belief that business editors and/or writers could only authentically report on benchmarks for other industries if they were components of a viable business themselves, Jody's first challenge was to give the owner an acceptable return on investment-and to make that a goal for all staff.

Today, the editorial content of IB is rich with insightful synthesis, and story assignments reflect an advocacy interest. As the editorial team has really come to understand the demands on small business owners and managers, it has been better able to inform the public of entrepreneurial accomplishments and contributions. They understand the challenges of state and regional economic initiatives or constraints and they are able to provide a theatre of discussion. They help galvanize constructive responses and cooperative local initiatives.

Both *In Business Magazine* and *On Air with In Business Magazine* use their editorial expertise to advocate for small business, calling out political leaders on anti-business legislation or mandates and encourage thoughtful exploration of sensitive business topics. By helping the larger public understand the demands on small business, IB also helps the community acknowledge small business contributions.

Jody still writes a monthly column and personally writes and edits special

reports on topics relevant to small business owners and managers, including a roundtable series bringing together decision-makers across industries.

As SBA's Small Business Journalist Champion, Jody was judged on her concerted effort to increase public understanding of the importance of small business contributions to the economy; contributions of news and feature stories, editorials, columns and commentary that highlight and analyze small business issues, voluntary community service aimed at enhancing small business opportunity, and growth and other achievements that exemplify media efforts to improve the understanding of the role of small business in the U.S. economy.

"I am extremely proud to have Jody Glynn Patrick of *In Business Magazine* and *On Air with In Business Magazine* radio show named as the U.S. Small Business Administration's 2007 National "Small Business Journalist of the Year." said Eric Ness, Wisconsin SBA District Director. "Jody truly reflects the word "small business champion" through her outstanding achievements by creating many channels for small business advocacy and recognition."

Jody's National Champion award was presented to her on April 23<sup>rd</sup>, in Washington, D.C., at an evening reception in the U.S. Department of State (Diplomatic Reception Room) as part of the 2-day annual *National Small Business Week Celebration*. In Wisconsin, Jody will be honored at the [SBA/SCORE Awards Presentation Breakfast](#) on Friday, June 1, 2007 at the Country Springs Hotel in Waukesha. For more information on the awards breakfast, please contact Mary Trimmier at (414) 297-1093 or email her at [mary.trimmier@sba.gov](mailto:mary.trimmier@sba.gov).

## 2007 Small Business Week

*Entrepreneurship in America*  
By: Steven Preston, Administrator  
U.S. Small Business Administration

Starting and growing a small business and maintaining its vibrancy are not easy things to do. Entrepreneurs must be willing to take risks others will not, working around the clock if necessary often acting as not only CEO, but also as head of sales, accounting and whatever else it takes to get the job done.

However, it can be done, and the contributions of successful entrepreneurs are the stuff of legend in America; their effect on the American economy, on the fabric of our communities, and on our culture's self-image is so great that we pause each year to celebrate their impact.

This year we will honor them by inviting the Small Business Person of the Year from every state, plus Puerto Rico, the District of Columbia and Guam, to Washington, D.C., for the 44<sup>th</sup> annual National Small Business Week (April 23-27), where the National Small Business Person of the Year will be named. **Wisconsin's Small Business Person of the Year, Adrian Velasquez and Christine Krause of Fi-Med Management, Inc.**, attended the annual National Small Business Week celebration. Wisconsin will honor Adrian & Christine along with the other state winners and champions at the [SBA/SCORE Awards Presentation Breakfast](#) on June 1, 2007 at the Country Springs Hotel in Waukesha.

Small businesses drive our economy. They create 60-80 percent of the new jobs every year and represent more than half of our non-farm private GDP. Since August 2003, more than 7.2 million jobs have been created – more jobs than the European Union and Japan combined.

Small businesses drive a tremendous amount of the innovation in our country: small patenting firms produce 13 to 14 times more patents per employee than their larger competitors do. Small business ownership allows people to realize dreams, for not only the owners and their families, but for those they employ and those they serve.

Such growth occurs in large measure because of the perseverance and productivity of our nation's entrepreneurs. I often say small business owners match every dollar of equity with \$10 of sweat equity. However, that is why they are successful where others are not. America has an economy that regenerates, is flexible, and adapts to opportunity in large part because our entrepreneurial culture has taught us to dream, to see possibilities, and to act on these possibilities.

I believe ownership anchors us in what is important. SBA not only works with start-up businesses, but with small businesses hoping to expand to the next level. Through training, contracting, and loans we can help entrepreneurs expand locally or even into new communities, or to start new businesses, creating more jobs.

One of the goals of the Small Business Administration is to be a partner to entrepreneurs. Over the years, the agency has helped many of our best-known corporate icons get their starts. Intel, America Online, Outback Steakhouse, Apple Computer, Amgen, Ben & Jerry's, Callaway Golf, Staples, Under Armour, Nike, and Federal Express, to name just a few, all received help from one of SBA's financing programs.

#### Today, we help entrepreneurs in numerous ways:

- ✓ The SBA lends or guarantees more than \$78 billion in loans and investments;

- ✓ It helps small business procure a fair share of government Contracts a record \$80 billion in 2005;
- ✓ Last year, SBA and its technical assistance partners counseled nearly 1.5 million entrepreneurs and its website received 26 million hits;
- ✓ Through its Office of Advocacy, SBA helps protect small business from harmful new government regulations, and through its National Ombudsman, it helps small business deal with unfair application of existing regulation.

The SBA's award-winning Web site, [www.sba.gov](http://www.sba.gov), has recently re-launched with improved navigation, updated content, new features and a concerted focus on giving customers – small businesses – what they need. Called the "Best Stop for One-Stop Shopping" by Money Magazine, the website helps small businesses find information they need to plan, start, grow, and succeed.

The SBA's resources help underpin the entrepreneurial dreams of Americans. We work to nurture those dreams because entrepreneurs are the engine driving better jobs for Americans, greater competitiveness in the global marketplace, and transformation for our communities.

I am convinced that this is the attraction of entrepreneurship. Americans start small businesses, put in long hours of hard work, risk their savings and make all of the other sacrifices necessary for success because they are building for their future and the future of their families. By doing so, of course, they are helping to build a brighter future for all of us.

## Women-Owned Small Business Federal Contract Assistance Program

### Questions & Answers

#### **Q. What is taking the SBA so long to implement this program?**

**A.** Recent Supreme Court decisions require legislative findings to justify a gender-based preferential program such as the Women-Owned Small Business (WOSB) Contracting Program. Congress, for the first time, delegated this complex and controversial responsibility to SBA. The agency completed its initial study in 2001. This study was rejected as inadequate by an independent peer review group at the National Academies of Sciences. SBA contracted with the Rand Corporation, which specializes in government studies, to perform a new analysis. In addition, SBA is moving quickly to publish a final rule implementing the set-aside program by the third quarter of FY 2007.

#### **Q. What is different from implementing this program versus the 8(a) Program?**

**A.** The 8(a) Program had extensive legislative findings that allowed the legislation to withstand legal scrutiny. Unfortunately, the women's procurement program did not include any legislative findings, leaving SBA with the burden of providing findings, and constitutional justification for the program.

#### **Q. Will the RAND study be completed and released to the public?**

**A.** The RAND study will be made public. It is in the final stages of clearance and SBA is working with RAND to get it completed and published.

#### **Q. What resources are available to help women-owned businesses seek contracts at federal agencies?**

**A.** Resources for women-owned businesses include Small Business

Development Centers (SBDC), Women's Business Centers (WBC), SCORE, Procurement Technical Access Centers (PTAC), and the Office of Small Disadvantaged Business Utilization (OSBDU) centers. PTACs are under the purview of the Department of Defense, while all agencies have OSBDUs. Within the Office of Small Disadvantaged Business Utilization at the major procuring agencies, there are often women's business advocates.

**Q. By delaying implementation of the women's contracting program, has the SBA cost WOSBs contracting dollars?**

**A.** First, the 8(a) program, which offers more benefits, has many female participants. Second, the question ignores the downsides. If SBA had rushed to implement the program without taking proper care to ensure its ability to withstand legal scrutiny, it would inevitably face lawsuits that could freeze the program. It would put both women business owners and SBA in a more difficult situation.

SBA is committed to increasing the number of contracts being made to WOSBs and as noted below\* has made significant progress in recent years. The agency is proud of its record and will continue to provide women with the assistance they need to make their businesses successful.

**\*WOSB Statistics:**

Prime contract dollars going to WOSBs increased from \$4.6 billion in FY 2000 to \$10.5 billion in FY 2005. Subcontracting dollars increased from \$3.6 billion in FY 2000 to over \$6 billion in FY 2003 (latest validated data available).

**Q. What can the public do to have input on the implementation of this program?**

**A.** SBA did receive over 100 comments from the public, including women small business owners, during the proposed regulation process. The proposed regulations were posted for

the statutory 30 days.

**Q. How many women-owned small businesses are in the 8(a) and HUBZone Programs?**

**A.** 8(a) Program (as of 3/14/07) 9,912 firms in the 8(a) Program 3,309 or 33.3 percent are women HUBZone Program (as of 3/14/07) 13,497 firms in the HUBZone Program 4,112 or 30.5 percent are women.

**Q. When will the program be implemented?**

**A.** It is our goal that the program be implemented by late 2007.

**Advocacy Report**

***Report Examines Structural Factors Affecting Health Care Coverage of Small Firm Workers***

A report issued by the Office of Advocacy of the U.S. Small Business Administration examines structural factors affecting health care coverage of small firm workers. Unlike most previous efforts of analysis, the study focuses on state and Metropolitan Statistical Area (MSA) factors that influence employer-sponsored insurance (ESI) coverage rates and per capita health care expenditures.

Among the report's findings are that the two most important factors associated with low ESI rates are employee wages and firm size. The report also examined MSB and state structural factors such as the concentration of Medicaid recipients, the concentration of manufacturing employees, the supply of hospital beds, and the amount of specialty health care services.

Econometrica, Inc. wrote the study, *Structural Factors Affecting the Health Insurance Coverage of Workers at Small Firms*, with funding from the Office of Advocacy.

For more information and a complete copy of the report, visit [www.sba.gov/advo/research/rs295tot.pdf](http://www.sba.gov/advo/research/rs295tot.pdf)

***Small Business Supports EPA's TRI Reform***

Small business supports the Environmental Protection Agency's recent reform of the Toxics Release Inventory (TRI) rule, according to testimony by Chief Counsel for Advocacy Thomas M. Sullivan. Sullivan delivered his testimony before the United States Senate Environment and Public Works Committee.

The reform of the TRI rule is the result of a 15-year process, which included public comment, stakeholder meetings, expert testimony, and the notice and comment rulemaking process. The result of EPA's listening and learning is an approach that reduces unnecessary burden on small business while protecting the public's right to know.

Chief Counsel Sullivan testified that, "the TRI Burden Reduction rule will yield needed reductions in small business paperwork burdens while preserving the integrity of the TRI program and strengthening the protection of the environment."

According to his testimony, the reform is important because, "Small businesses have consistently voiced their concerns to Advocacy that the TRI program imposes substantial paperwork burdens with little corresponding environmental benefit, especially for thousands of businesses that have zero discharges or emissions to the environment."

Moreover, he said that "top environmental performers within industry will benefit by being able to use the short form (Form A)...Most importantly, in order to use Form A, firms may not emit or discharge any PBT (Persistent, Bioaccumulative, and Toxic) chemicals into the environment."

For information and a copy of the testimony, visit Office of Advocacy website at [www.sba.gov/advo](http://www.sba.gov/advo).



***New Establishments Have a Mixed Effect on Local Firms***

New entrants in local economies at first harm then help, already existing firms, according to a working paper released today by the Office of Advocacy of the U.S. Small Business Administration. The paper examines how the entrance of new establishments within a 150-mile radius of young firms affects the existing firms' profitability.

The working paper, *Friends or Foes: The Spatial Dynamic Between Established Firms and Entrants*, written by Lawrence Plummer with funding from the Office of Advocacy, examines whether new establishments harm existing firms' profitability due to increased competition, or help increase profits due to positive spillover effects. The complete paper is located at [www.sba.gov/advo/research/wkpapers.html](http://www.sba.gov/advo/research/wkpapers.html).

Interestingly, the paper finds that the effect of new entrants is not an either/or proposition. In the first year of entry, the effect on existing firms' financial performance (return on assets) is negative. However, after three years, the effect on performance reverses and becomes positive.

**Editor's Notes**

**LENDER INFORMATION**

***U.S. Citizenship & Immigration Services***

On the USCIS form G845, SBA cannot be entered as the name, you must enter U.S. Small Business Administration.

*In addition*, Immigration and Naturalization (INS) wants original signatures- no faxes.

***Banking Site URL***

New URL for the banking site is [www.sba.gov/aboutsba/sbaprograms/elending/index.html](http://www.sba.gov/aboutsba/sbaprograms/elending/index.html).

**MARCH LENDING**

**SBA March 2007 Loans**

[www.sba.gov/idc/groups/public/documents/wi\\_milwaukee/march07apprv.pdf](http://www.sba.gov/idc/groups/public/documents/wi_milwaukee/march07apprv.pdf)

**SBA March 2007 MicroLoans**

**Wisconsin Women's Business Initiative Corp. 4 Loans for \$50,000**

**2007 Lenders Conference**  
**May 17<sup>th</sup> and 18<sup>th</sup> at Chula Vista, Wisconsin Dells**

**22<sup>nd</sup> Annual**  
**Small Business Awards Breakfast** June 1<sup>st</sup> in **Waukesha**

**TRAINING CALENDAR**

Be sure to visit <http://web.sba.gov/calendar/public/index.cfm?op=group&grp=73> for business-training opportunities offered by SBA, SCORE, Small Business Development Centers, Women Business Centers, Procurement Assistance Centers and the Wisconsin Procurement Institute.

This site will become your first stop when looking for training sessions, conferences and seminars at the federal level but will also include state, local and private activities when they pertain to small business improvement.